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Social Exclusion in the New Economy: Beyond the Digital Divide

Amy A. Quark

Abstract

As new information and communication technologies contribute to the restructuring of relationships of production and distribution and connect people and places across the globe in new ways, concerns have emerged regarding the formation of a ‘digital divide’ between those who can access and make use of these new technologies and those who cannot. That is, how can we ensure that the information age does not create new and exacerbate existing inequalities, let alone any hope that these gulfs will be narrowed? What is often missing from these discussions is an understanding and articulation of the mechanisms that continue to create and exacerbate inequalities both between and within states. This article will, therefore, explore competing theoretical explanations of poverty, exclusion and inequality that have evolved through history both in academia and in everyday understandings of these phenomena. As changes within the “new economy” become evident, one must recognize that inequality, poverty and exclusion are rarely experienced along a single axis. Thus, while the digital divide is but one expression of current inequalities, a closing of this inequality and others requires a fuller understanding of the mechanisms, both material and ideological that generate and legitimate diverse and complex experiences of exclusion.

Introduction

In 2003, the United Nations held the first World Summit on the Information Society. This high-level conference involving heads of state from around the world set in place guiding principles and a plan of action regarding global access to and governance over information technologies. During the meetings, a Declaration of Principles was drafted to address a broad range of issues, including how the emerging information society could usher in an age of economic growth, job creation and quality of life for all. However, the dissonance between these grand ambitions and the current reality of the information age resounded as different states set vastly different goals for pursuing the opportunities of the information age, from increasing literacy and

establishing basic telephone access to the developing new technologies. The potential for information technologies to generate further inequality as easily as they could deliver equitable quality of life became impossible to overlook:

We are also fully aware that the benefits of the information technology revolution are today unevenly distributed between the developed and developing countries and within societies. We are fully committed to turning this digital divide into a digital opportunity for all, particularly for those who risk being left behind and being further marginalized. (World Summit on the Information Society, 2003)

Despite this optimistic collective statement, the declaration and plan of action have been criticized by some summit participants for avoiding critical questions regarding who will pay to universalize technological access, as well as who will control digital technologies. That is: how can we ensure that the information age does not create new and exacerbate existing inequalities, let alone narrow these gulfs?

To this end, what seems to be missing from these ambitious global declarations is a clear understanding and articulation of the mechanisms that continue to create and exacerbate inequalities both between and within states—explanations that are required to formulate substantive solutions to practical questions regarding access to technology. This article will, therefore, explore competing theoretical explanations of poverty, exclusion and inequality that have evolved through history both in academia and in everyday understandings of these phenomena. Recognizing the inadequacies of some approaches, as well as the interests they often represent, I will assert that contemporary exclusion, poverty and inequality, of which the digital divide is one manifestation, are rooted in unequal social relationships mediated by material bases of power.

As changes within the “new economy” become evident, this perspective becomes even more critical. One must recognize that inequality, poverty and exclusion are rarely experienced along a single axis, such as class or the digital divide, but are experienced across a number of axes, creating a *multi-dimensional* experience of inequality, poverty and exclusion (Byrne, 1999; Madanipour, 1998). Inequalities manifest in various guises, and lines of inclusion and exclusion are drawn across many fields of power, creating interlocking forms of oppression (Collins, 1990). Thus, while the digital divide is but one expression of current inequalities, a closing of this inequality and others requires a fuller understanding of the mechanisms, both material and ideological, that generate and legitimate diverse and

complex experiences of exclusion.

Theoretical Approaches to Poverty and Inequality

Throughout history, and, more specifically for our purposes, since the emergence of capitalism some 600 years ago, various ideas and theories have been forwarded to explain the existence of poverty and inequalities. As I begin to explore several of the most salient of such traditions, it is important to emphasize that all political and social discourses serve interests. However, as this paper is grounded in a critical realist epistemology, while discourses serve interests, one cannot consider all accounts as merely expressions of different interests. Therefore, all accounts are not equally valid. Far from a postmodern stance, evaluating diverse explanations requires a critical understanding of who is perpetuating certain ideas and why, as well as whose interests are served by their acceptance. None of the explanations I will explore are terribly new ideas but rather tend to emerge and re-emerge in different forms, gaining dominance with shifts in power relations.

In this overview of different and conflicting accounts of inequality and poverty, three main perspectives emerge, each encompassing internal variations. Schiller (1989) suggests that these differing lines of social politics diverge particularly in terms of where they place the responsibility for poverty, inequality and social exclusion. Specifically, the three positions include: possessive individualism in the tradition of classical liberalism, which places responsibility with the people who face poverty themselves; collectivist approaches which hold the state responsible for inequalities; and Marxist approaches, which consider inequality and poverty to be inherent features of capitalism.

Possessive Individualism: Holding Individuals Responsible

Those theories that concentrate on the deficiencies of the economically disadvantaged, Byrne (1999) says, originated from the ideas of Locke and the political doctrine of possessive individualism. This doctrine lays the framework for individual rights both to control one's own person and to possess private property and, thus, for the modern liberalism that has regained tremendous popularity in the past decade. In this view, abundant opportunities exist for people to improve their living standard. Consequently, conditions of poverty and social exclusion result from either a lack of sufficient individual effort or from innately inferior attributes. In general, possessive individualist explanations of poverty, Summers (1995) suggests, assume three main forms: the culture of poverty argument, the human capital theory, and the theory of genetic inferiority.

Arguments expounding the genetic inferiority of people in poverty suggest that inequality results from differences in inherent ability and intelligence. As a result, regardless of the extent of their efforts, some people will be unable to perform the tasks required of jobs that pay above the poverty line (Summers, 1995). Theories of the culture of poverty escape such biological determinism and instead suggest that the distinct values held by ‘have-nots’ translate into patterns of behaviour that differ from those of ‘haves.’ In particular, apathy, alienation and deviant behaviour can materialize as a result of exclusion from labour force participation. These behavioural patterns become cultural adaptations that are passed to future generations, creating intrinsic obstacles for adjustment to new economic opportunities that may arise (Byrne, 1999). Finally, others suggest that human capital—education, work experience, and productivity—determines one’s economic success, and thus better education and skills training represent the solution to poverty. From this perspective, education and training around information technology represents a key solution to the digital divide.

Without engaging in a comprehensive critique of this perspective, I will note a few concerns. Within this group of neo-conservative arguments that blame people in poverty for their conditions, Byrne (1999) notes that there exists a fundamental contradiction; people in poverty are conceived as at once socially and culturally incompetent, even genetically incapable, of participating in society *and* capable of reform through education and training. Further, this position promotes strengthening the work ethic of people in poverty as a duty and responsibility in society but fails to support a right to work. Summers (1991) also critiques this contradictory perspective, castigating its neglect of structural obstacles facing people in poverty. A variety of barriers, apart from the capacities of people themselves, can contribute to poverty, including a lack of resources to develop income-earning capacities, a lack of job opportunities, and the organization of work itself. However, despite these critical oversights of the possessive individualists, Wright (1994) notes that individual-centred explanations of poverty and inequality tend to garner significant popular appeal.

Collectivist Approaches: Holding “the System” Responsible

Collectivist conceptualisations of inequality and exclusion address some of the concerns raised about possessive individualist approaches, advocating an awareness of social structures and their role in creating poverty and exclusion. From this view, individuals are not devalued as in possessive individualism, but, rather, the instability of the capitalist social order is accused of engendering inequality and

exclusion (Byrne, 1999). Schiller (1989) argues that forces beyond the control of individuals can create conditions of poverty and exclusion that can affect individuals, groups of individuals or even entire regions. Collectivist approaches, however, do not consider inequality to be embedded in the fundamental nature of capitalism but instead suggest that it is the social and economic conditions of contemporary capitalism, such as a changing economy and opportunity structure, which can produce exclusionary tendencies. As Wright (1994) explains, from this perspective, poverty is merely an unfortunate by-product of social causes. For example, no one means for a digital divide to emerge, nor does anyone really gain from it.

Collectivist approaches thus call on the state to mediate this insecurity, facilitating the collective regulation and management of capitalism. To address the problem of poverty, “affirmative” solutions must be employed to create opportunities, generally through education and job creation, for those disadvantaged to participate more fully in the economy (Wright, 1994). However, when such conditions persist, the state, or “the system” is held responsible, often blamed for persistent poverty, particularly due to labour demand deficiencies, discrimination in education, discrimination in labour markets, and worker exploitation, all of which increase the probability of poverty (Summers, 1995).

While collectivist approaches may demand greater state intervention to ameliorate inequalities such as the digital divide, Summers (1995) suggests that other “blame the system” arguments can alternatively point to the state itself as the problem. The welfare state, according to this standard neoliberal critique, undermines work incentives, destabilizes the family, supports unmanageable bureaucracies, and causes market distortions that ultimately provoke welfare dependency. This type of critique may, therefore, demand diminished state intervention in favour of market mechanisms.

Marxist Approaches: Holding Capitalist Exploitation Responsible

While recognizing that each of the previous perspectives may provide useful insights for understanding poverty, Marxist approaches to social exclusion, poverty and inequality place the responsibility for exclusion neither on the individual as do possessive individualists nor on the nation-state system in the style of collectivists. Alternatively, these phenomena are situated within the capitalist system itself, as essential characteristics of the current social order (Byrne, 1999). Wright (1994) insists that poverty is not merely a regrettable by-product of benign social forces but is in fact intrinsic to a society whose economic structure is rooted in class and exploitation. That is, capitalists and other powerful and privileged actors who exploit the labour of others, not to mention the exploitation of nature which is

missing from Wright's analysis, have a vested interest in perpetuating poverty: "It is not just that poverty is an unfortunate consequence of their pursuit of material interests; it is an essential *condition* for the *realization* of their interests" (Wright, 1994, p. 38, original emphasis).

Thus, rather than deficient individuals or the victims of an unfortunate series of events, in the Marxist tradition, those in poverty represent either part of the working class or of Marx's reserve army of labour. The working class is involved in direct relations of exploitation, selling their labour power to capitalists who appropriate the surplus value generated by the working class. The reserve army, on the other hand, facilitates capitalist growth and disciplines labour by allowing production expansion without an increase in labour costs per unit, based on the threat of substitution, and by allowing market segmentation to facilitate low paid or unpleasant work, as well as to enable opportunity hoarding. According to Marx (1918), this dynamic functioning of the reserve army plays an important role in serving the interests of capitalism during times when the social relations of production are relatively stable and, even more so when capitalism is in crisis, as individuals are shifted in and out of different relations of exploitation and oppression as the social relations of production adjust to boom and bust in the business cycle.

Wright (1994) distinguishes between two variations of a class exploitation view of poverty—the first associated with revolutionary Marxism, the second with social democracy. Revolutionary Marxists contend that poverty can only be eliminated through the elimination of the capitalist system itself. Poverty cannot be substantially ameliorated as long as the economic structure depends on its existence. Social democrats, conversely, insist that, although capitalists have real, material interests in sustaining poverty, capitalist institutions remain compatible with significant decreases in poverty levels. In particular, through reforms involving income distribution, the power of capitalists and their allies can be effectively challenged for poverty reduction. The bite of such a class analysis of poverty, therefore, rests in the intentionality it accords and the solution it demands: "the *defeat* of powerful and privileged social forces" that perpetuate poverty in service of their own interests (Wright, 1994, p. 39). From this perspective, the digital divide embodies relations of power and certain actors benefit from its existence. For example, information technology may be used to replace labour in production processes and/or intensify labour exploitation. Alternatively, corporations use patent law to maintain proprietary control over information technology. Ameliorating the digital divide would mean addressing these power relations.

The New Economy

Neoliberal Globalization

From this delineation of potential explanations of poverty, exclusion and inequality, I now turn to a discussion of the characteristics of the “new economy,” the experiences of poverty, exclusion and inequality within it, and thus the demand for a critical Marxist approach. Since the 1970s, the global order has been undergoing radical economic, political, and social transformations as capitalist firms reorganize the social relations of production on a global scale, and thus the experience of, and explanations for, poverty, exclusion and inequality.

Westergaard (1995) explains that during the Fordist era, macro-economic management was achieved through intentional, so-called corporatist arrangements. Cooperation was forged among the state, capitalist firms, and trade unions to address, among other issues, tensions regarding equity in the distribution of the benefits of production. Collectivist discourses appeared to reflect reality as cooperative efforts were tangibly ameliorating people’s everyday experiences of poverty and exclusion, through income redistribution and social safety nets. Although capitalist accumulation was intensifying, it seemed to be occurring in such a way that simultaneously increased general, absolute prosperity, under the assumption that mass consumption would drive mass production and thus accumulation, raising all living standards absolutely, if not relatively. While in retrospect policies embodied in the Keynesian welfare state did not solve the systemic problems of chronic poverty and inequality, they sheltered at least white, male citizens from the worst of these problems. Inequality, therefore, could easily be understood as an unintended consequence of the otherwise beneficial march of progress that could be remedied through collective action and state intervention, such as the distributive effects of the Keynesian welfare state.

Beginning in the 1970s, however, these distributive, collective solutions began to disintegrate with innovations in labour management, which favoured capital accumulation over distributive justice, and the rise of neoliberalism as a dominant, hegemonic ideology. Under current restructuring, labour flexibility is privileged in the competitive, globalized market (Harvey, 1990).¹ As Van Parijs

¹ As Harvey (1990) argues, while more flexible production strategies have become prevalent in the past few decades, I do not mean to suggest that Fordist organization has become obsolete. Instead, so-called post-Fordist and Fordist strategies intertwine. This is perhaps the key to the flexible accumulation regime—it is flexible to

(1989) and others, such as regulation scholars, have recognized, capital has been pursuing a dual strategy in terms of labour relations, creating both high quality, stable employment in some sectors, while at the same time reverting to the competitive externalization of market uncertainties “through low-quality, low-wage jobs subject to numerical flexibility” in others (Silver, 1994, p. 551, quoted in Byrne, 1999). Facilitated by rapid innovations in communications technology, new forms of exploitation and alienation have emerged through the outsourcing of production activities, the global sourcing of inputs, telecommuting and “temping”. Capital is thus accumulated at the expense of labour, as organizational and technological innovations increase the surplus value produced per unit labour while intensified competition and insecurity in the job market, facilitated by an undermining of labour unions and a deterioration of the welfare state, undercuts real wages, with repercussions for the life chances of individuals, households and communities the world over. Risk and uncertainty are offloaded onto an increasingly insecure workforce as firms find new ways to set a standard of non-responsibility towards their employees.

Accompanying this shift in the social relations of production has been the emergence of the ideology of neoliberalism, supporting and reinforcing changes in productive relationships. According to Gramsci, a dominant ideology is a set of values and norms that, at a given point in history, are necessary to the existing social structure (Eagleton, 1991). The neoliberal ideology rests on the central tenets of profit, efficiency and capital accumulation as the engine of growth, development and social “progress.” Individual and social benefits are considered to be maximized through a process by which everyone acts in his/her own self-interest. On a global scale, this ideological agenda demands the predominance of the free market for resource allocation and the intensification of economic globalization and integration of international markets, requiring privatisation of economic resources, and retraction of state activities (Diaz, Widdis, & Gauthier, 1999). Focused on macroeconomic stabilization, structural adjustment, and the globalization of production and distribution, the neoliberal ideology has legitimized and impelled drastic changes in the economic and political complex comprising the democratic, market and welfare state relations in favour of market determinism. The push for liberalization ushered in by conservative governments of the 80s prioritized fiscal austerity and cuts in welfare programs as key neoliberal policies (Cars, Madanipour, & Allen, 1998). Proponents present neoliberal policies as the only possibility for societal growth and “progress.”

incorporate different strategies and forms of organization to best meet the demands of neoliberal capitalism.

Implications of Neoliberal Globalization: Quality of Life and Exclusion

Some scholars insist that lived experiences under the neoliberal globalization demand a more critical analysis of these circumstances in order to engender substantive change. “Exclusion and poverty,” Bessis (1995, p. 11, as cited in Byrne, 1999) insists, “have reached such high levels that they cannot be longer considered as simply accidental or residual phenomena.” In contemporary society, it is critical to consider the possibility that social exclusion, poverty and inequality are not merely unintended externalities but, rather, direct and necessary consequences of the current global social order.

While neoliberal policies that structure post-Fordism have been successful overall in terms of economic indicators of success, Diaz et al. (2001) claim that the benefits of economic development, such as wealth, income and formal, stable employment, have been unequally distributed—a claim that gains even more cogency when the exploitation of nature is given serious attention. Byrne (1999) suggests that this shift is demonstrated most explicitly in social space through changing patterns of income distribution and available social mobility. The Fordist era of state-mediated capitalism was characterized by rising real living standards and a considerable degree of upward social mobility through expanding educational and occupational opportunities. In contrast, the current era is depicted as creating increasing income inequality and a closure of mobility chances, generated as a result of three broad neoliberal tendencies, specifically: a shift in the share of incomes from labour to capital; a cut in cash welfare transfers to households; and increasing disparities in earned incomes (Byrne, 1999). While the general tendency during the Keynesian era was declining income inequalities (Goodman, Johnson, & Webb, 1997), the income distribution of advanced capitalism, according to Therborn (1985), is undergoing a “Brazilianization,” characterized by a tripartite division in social space. In particular, a super-exploitative class of the super rich are contrasted with a “‘squeezed middle’ of relatively but not absolutely secure workers and a large and emmiserated poor” (Byrne, 1999, p. 64). Diaz et al. (2001) explain this phenomenon in terms of a dual process of marginalization and concentration. A few people are experiencing increasing concentration and control of capital; however, to facilitate this, large sectors of the population have been marginalized both from the profits and the security produced by these economic changes. Byrne (1999) insists that this emerging social norm based on a flexible labour market and structural social exclusion is driven by the neoliberal capitalist ideology, the manipulation of political processes, and the subordination of policies to business

interests.

Furthermore, social, political and economic turbulence has resulted, producing radical consequences for individual life trajectories as the costs and risks of socio-economic development are unevenly shared. Diaz et al. (2001, p. 2) suggest that the socioeconomic consequences of these transformations in productive relations and the resulting social order are widespread:

People in many countries have experienced rates of unemployment above historical rates; a lack of job security, salary reductions and a loss of benefits as a result of the process of restructuration and rationalization of private and public corporations; and a more restricted access to basic services such as health and education as a result of new fiscal policies. They have also experienced the negative consequences of high rates of inflation; a more unequal distribution of income; and, in some cases, the deterioration of institutional forms of resistance, such as labour organizations.

“People no longer live in the same universe of opportunity,” Dahrendorf (1995, p. 15) describes, “there are winners and losers, and the gains of the winners do not trickle down to the losers.” Describing the increasing social divide of this era, characterized by long-term unemployment, the casualization of work, and ensuing anxiety and uncertainty, Madanipour insists “there are ever larger numbers in transition from inclusion to exclusion” (1998, p. 78).

It is crucial to make explicit a key point in the above discussion: material exclusion does not represent the extent of the repercussions that these global transformations engender. Implications of the neoliberal agenda reach beyond threats to individuals’ economic well-being. A decline in personal safety, environmental degradation, breakdown of families and communities, feelings of uncertainty and pessimism, and a lack of trust in some of the most important institutions in society represent just a smattering of current signals of social decay (Diaz et al. 2001).

Neoliberal strategies have not only exacerbated inequalities both within and between countries but also have arguably caused a deterioration in the quality of life of those who are unable to tap into the benefits of development. While quality of life is a nebulous concept, it can be viewed as both a process by which and a condition in which individuals can enjoy and exercise full social, political and economic participation in their communities. Among other things, such participation involves having the ability to recognize and define problems, set goals, and utilize social mechanisms to enact change in

one's own life and in the context of one's greater community. As shifts in material relations of production may be driving structural changes in the experience of poverty and inequality, these changes further create new and interlock with other forms of inequality. In this way, the interconnectedness of the problem of the digital divide with other forms of inequality begins to emerge, shedding light on the complexity of understanding necessary to address it.

From Poverty to Social Exclusion

In the flexible labour market of the new economy, Van Parijs (1989) suggests that the social relations of production, within which the working class and the reserve army are bound up, are, if anything, becoming more heterogeneous, contradicting the homogeneous and unifying exploitation that Marx predicted. Furthermore, the resulting experiences of these phenomena do not manifest solely in material terms. Byrne (1999) suggests that class exploitation can result in not only inequality-generating social relationships of production and associated benefit sharing, but also concomitant inequalities regarding cultural, political and social participation. But how can one conceptualize such multi-faceted and diverse experiences of poverty in a way that highlights common interests of people in poverty and divests greater explanatory power on this otherwise nebulous category?

A description of poverty is, Ruggles (1990, p. xv) suggests, "ultimately a normative concept, not a statistical one." From a normative perspective, Ruggles insists that different perceptions of poverty lead to different policy priorities and thus it is perhaps most useful to view poverty as a relative condition that exists in the context of evolving social norms at particular times and places. However, in general, definitions of poverty identify a point of reference, a minimum standard, to which all members of society should have access. Summers (1995) describes such a "standard of living" as embodying cultural, political and social facets, although it is most often expressed in terms of economic well-being. Empirical studies of income inequality are frequently utilized to assess quality of life, Westgaard (1995) notes, largely because this concept is easily operationalized and such data are readily available. Such definitions are problematic, however, as, while establishing a minimum acceptable standard, they give no mention of either maximum acceptable standards, implying maximum acceptable gaps between rich and poor, or processes that create unacceptable circumstances. Byrne (1999) suggests that other facets of quality of life are difficult to conceptualize and measure, and rarely are, as they rest on notions of power. However, it is precisely a narrow economic definition of poverty that one must strive to move beyond as it is through the more

intangible exercise of power that the social order is produced and reproduced (Chambers, 1983).

Westergaard (1995) suggests that a focus on distribution should be given equal attention within Marxist analyses that conventionally favour production relations. Inequality of power and inequality of welfare, from his perspective, constitute the key material axes of class structure. While inequalities of power are the main generating mechanisms, they are more difficult to empirically investigate. Inequalities of welfare, on the other hand, can highlight visible and substantive ways in which diverse forms of exploitation can engender parallel patterns of welfare distribution. For example, a variety of inequalities of power played out through different labour market relationships within the new economy may manifest through some similar lived welfare conditions, such as lack of access to digital technologies. Pressing beyond conventional Marxist queries regarding “who does what,” Westergaard (1995, p. 24) suggests that considering equally questions of “who gets what” highlights the importance of interest formation in class. Benefits, or lack thereof, deriving from the current socioeconomic system, must be measured as much in terms of lived welfare as roles in production.

Considering what one gets, or, perhaps a more apt description, what one does not get, Madanipour (1998) suggests that exclusion from the economic benefits of the new economy can also translate into political and cultural exclusion. A more comprehensive understanding of this experience must emphasize the dynamic and processual nature of exclusion and envelop a “lack of access to resources, to decision making and to common narratives” (Madanipour 1998, p. 86-87). To this end, one must transcend a unidimensional idea of poverty in favour of the multidimensional notion of social exclusion. As a relatively new approach, according to Cars et al. (1998), social exclusion can be viewed as a concept that enfolds both poverty and inequality and extends to incorporate diverse cultural, social, political and economic factors into one’s analysis. Madanipour (1998, p. 22) offers this definition:

Social exclusion is defined as a multi-dimensional process, in which various forms of exclusion are combined: participation in decision making and political processes, access to employment and material resources, and integration into common cultural processes.

Vested with its full explanatory power, social exclusion must be conceptualized as: (1) at once a global and local phenomenon; (2) relational in that it presupposes a relationship between individuals and groups; (3) having a time component; (4) having a space component;

(5) an emergent phenomenon; (6) simultaneously a condition and a process that occurs over time; (7) existing as a domain, separate from the rest of social space.²

First, contemporary social exclusion is a process that is being structured at a global level in terms of emerging global production relations and the neoliberal ideology, but is manifested in local contexts. Uncovering causal factors of exclusion requires understanding the necessary links between individual life trajectories at the micro level and categorical or phase shift transformations at the macro level. Harvey and Reed (1996) conceptualize these different levels as a multiple set of nested systems, a series of systems in which, for example, the global level consists of regions which in turn contain localities, households, and individuals. While global transformations obviously hold enormous influence in this set of nested systems, Byrne (1999) maintains that there is no hierarchy of influence and that causal processes can run in both directions. While the new economy fundamentally structures possibilities in the other nested systems, and, in fact, produces the necessary conditions whereby contemporary social exclusion can occur, opportunities for action and change exist at each level.

Building on this description which itself represents complex relationships, the notion of social exclusion as relational focuses more specifically on the level of agency. Social exclusion must be viewed in terms of the implications for and responsibilities of all members of society, rather than as the isolated conditions of excluded groups or individuals. When understanding social exclusion, then, Veit-Wilson (1998) offers that 'stronger' perspectives on exclusion target the role and power of those who are doing the excluding, rather than concentrating on the capacities of those who are excluded. While social exclusion may be ultimately structured by macro level discourses, to manifest on the local level, these discourses must be actively performed. Here the importance of a broader view of social exclusion, encompassing distribution as well as production, is critical as inequalities in welfare can be key to facilitating processes of exclusion. Further, those who exclude need not, but can, also directly exploit those whom they exclude.

Thirdly, social exclusion has a time component. Ruggles (1990) highlights the time period over which income and poverty are to be measured as a key issue. She argues that temporary experiences of poverty are common, corresponding to spells of unemployment, death or disability, or a divorce, separation, funeral or child's marriage, for example. Such temporary poverty represents a qualitatively different

² Much of this discussion on social exclusion is founded on Byrne's excellent discussion of the topic in 1999. *Social Exclusion*. Philadelphia: Open University.

experience than that of long-run or chronic poverty. Byrne (1999), too, emphasizes the importance of time within social exclusion; however, he insists that, particularly within the current era, a pattern of cyclical exclusion over time may be the most relevant and probable life trajectory for those experiencing social exclusion. Characterizing exclusion in this way underlines what Byrne (1999) argues to be a qualitative distinction between exclusion under Fordism and that now experienced. Poverty is decreasingly experienced as a temporary setback, within a life trajectory of better conditions, from which one is able to recover. An example of this could be long term unemployment with dependency on low-level benefits, although a more relevant and probable life trajectory would be characterized by low paid work/workfare as the normal experience punctuated with considerable experiences of unemployment/social assistance and training programs (Byrne, 1999). Exclusion has become a separate domain of social space within which individuals and households can cycle through different positions of employment or benefit dependency, but from which it is difficult to escape.

In addition to time, the nuances of space are central to understanding social exclusion. While exclusion is not spatially determined, “living in a place exposes people to particular processes of constraint and opportunity which significantly shape their social worlds” (Healey, 1998, p. 58). Similar to considerations of time, certain areas of space, such as certain urban neighbourhoods or rural areas, can become excluded places in which multi-dimensional experiences of exclusion compound and constrain local agency. On the level of production, certain places can also become targets for exploitation, based in part on the lack of alternative employment opportunities. This can create a spatial divide between exploited and exploiter, further complicating possibilities for empowering change (Collins, 2003).

As its relational nature suggests, the fifth important dimension requires recognizing social exclusion as an emergent phenomenon. Byrne (1999, p. 78) insists that “‘social exclusion’ is not a label to be applied to particular ‘socially excluded’ individuals and/or households.” It does not apply to the isolated experience of individuals but must be seen as emerging from the interaction among the life courses of an ensemble of individuals and households. Specifically, a socially excluded class emerges that holds causal powers and liabilities which do not derive from a mere aggregation of its component parts. This could be an emergent causal power for collective agency but could also represent an emergent liability for stigmatization. A group of ‘socially excluded’ individuals, for example, have the potential to recognize their common plight and to organize to make claims on employers or the state. Such a group, however, also faces the threat of being stereotyped as a whole (i.e.

lazy, irresponsible, etc.) based on the behaviours of a few within the group.

As one begins to see, social exclusion is at once a condition and a process. At a given snapshot in time, individuals or households could be described as excluded or not excluded, illustrating their ability to participate in economic, political and social life; yet one should note that the condition of exclusion vs. non-exclusion is not a binary distinction but can exist in differing degrees. However, perhaps more critical is an understanding of social exclusion as an inherently dynamic process, continually evolving and subject to constant production and reproduction. While recognizing identifiable categories of the working poor and of the relative surplus population, Marx (1918) notes that these categories are subject to the dynamic movement of individuals through them, most acutely during times of crisis in the industrial cycle. For Marx, it is the dynamism within the condition of poverty that vests poverty with its very function in the reproduction of the capitalist system through the creation and deployment of the reserve army of labour. Madanipour (1998) echoes this sentiment, arguing that exclusion is systemic in the sense that it is embedded within the structure of the social system, yet, as Bourdieu (1998) concurs, social structures develop dynamically as a reciprocal product of structured agency³. Social exclusion, thus, can be considered characteristic of the current capitalist structure of society, but it is ultimately “something that is done by some people to other people” (Byrne, 1999, p. 1). Thus, dynamic processes of exclusion must be analysed as a function of the capitalist social order, but one must also consider how these processes are embodied, and are, or are not, reproduced, at the level of communities, households and individuals nested within that system.

Finally, in terms of social space, the space of social exclusion represents a separate domain. It is a segregated part of social space creating the boundaries within which the life courses of excluded individuals can move. It is important to note that the structuration of a socially excluded class does not suggest that each individual or household within the class experiences social exclusion in exactly the same way. Byrne (1999) suggests that if one were to map individual life trajectories through time, one would find neither an even nor a random patterning but instead would discover certain areas of social space, categorically worse areas as measured on a multidimensional basis, within which individuals, while not on the exact same cycle, nonetheless remain bounded. This space offers relatively inferior opportunities for participation in economic, political and social life. Further, it is a space created by a phase shift in contemporary

³ Agency is defined as individuals’ capacity to act independently of structural constraints.

capitalism; in fact, the excluded domain is an inherent property of the current era of capitalism.

Justifying Exclusion in the New Economy

In this light, deterioration of quality of life and social exclusion of individuals and groups in the current social order must be considered not only from the standpoint of marginalized material well-being but also in terms of power, or lack thereof, that mediates wider social and political participation. Further, in understanding exclusion in these ways, its dynamic, processual connection to the global social order cannot be understated. Those people who are socially excluded do not represent a constant or unchanging presence in society but are rather an emerging (some might say re-emerging) phenomenon resulting from “the reorganization of the social and political order in the interests of some and against the interests of others” (Byrne, 1999, p. 69). This is not to say that social exclusion was not experienced in the Fordist era; however, one could argue that current exclusion is a more deeply entrenched, systemic phenomenon. This can, at least in part, be attributed to the hegemonic neoliberal ideological tools that have been employed to explain and legitimize the continued existence of poverty, inequality and exclusion.

With this understanding of social exclusion under contemporary advanced capitalism, this view is far from the commonly accepted explanation of current poverty. With any hope to utilize this deeper understanding for reform or revolution of current circumstances, one must recognize the power structures that work to deny and obfuscate this multidimensional understanding of exclusion and the material processes that generate it, as well as attempts to challenge the interests served by the current social order. The justificatory explanations of poverty used by neoliberalism penetrate contemporary society by aggressive but also diffuse and subtle means, even through seemingly well-intentioned declarations for a global attack on the digital divide. While a complete discussion of neoliberal ideologies is beyond the scope of this discussion, I will consider two attendant and mutually-reinforcing discourses of neoliberalism: the notions of individually-mediated success and social mobility.

To comprehend the implications of these discourses, let us begin by exploring how the central neoliberal tenet of self-interest is conceptualized in such a way that it is mutable for use in various settings and on various scales. The neoliberal discourse is ultimately based on the belief that utility will be maximized, or the maximum benefit can be yielded, if each individual acts rationally in his or her own self-interest. Ignoring any concept of exploitation, not to mention the heroic assumption of rational behaviour, individually-mediated efficiency, profit, and capital accumulation are viewed as the

route to ‘progress’. Key here is the equation of ‘progress’ of society at the macro level with ‘progress’ of the individual at the micro level, a hegemonic strategy that works to obscure the nature of the ideology and to naturalize individuality.

As the central actor in the neoliberal conception of society, the concept of the individual has been entrenched in the *doxa* of Western society, becoming a ‘normal’ and ‘natural’ idea. This familiar notion, then, becomes transferable as a means of understanding the world. Bourdieu (1998) explains that, in the formation of groups, the qualities of an individual are attributed to the group as a whole. The group takes on a reality that transcends its members: “a transpersonal person endowed with a common life and spirit and a particular vision of the world” (Bourdieu, 1998). Under the neoliberal regime, a macrocosm-microcosm metaphor results in which the individual represents society as a whole, and society becomes the culmination of all individuals. As a result, a singular vision and goal can be forged: social ‘progress’, defined in terms of capitalist tenets of success. A hegemonic, reinforcing circle is thus produced, justifying the neoliberal social order. First, neoliberal economic ‘progress’, measured by profit and capital accumulation, is deemed beneficial to society as a whole. As a microcosm of society as unified individual, micro or individual level ‘progress’ is thus translated into the measure of individual success. Finally, individual ‘progress’, profit, and capital accumulation is considered not just advantageous to that individual but beneficial to the social whole. This conflicted system of individuality, competition, and mutual benefit serves to establish unified goals for maximum social benefit to be achieved specifically through non-unified, competitive means. The system is legitimized, and resulting inequality and social exclusion can be justified. Further, founded on the doxic notion of individuality, the macrocosm-microcosm metaphor can be seamlessly applied in various and, at times, conflicting, configurations among nested social systems. These conflated notions of “progress” become ingrained throughout the social order—from the state to the family to the distribution of digital technologies. Moreover, as Foucault (1979) notes, such discourses become embodied within individuals to the point that they become self-operating systems; individuals autonomously discipline themselves to conform to these ideological norms—the panopticon effect.

A further key allowing such a universalizing ideology to gain its hegemonic status is just that: the supposed universality of the framework must be perceived as truly universal. In the Keynesian era, citizenship as proffered by the nation-state system played this universalizing role, legitimizing and mitigating the effects of capitalism through the principles of equal political representation, participatory decision-making, and redistribution. While the nation-state system continues to be complicit in the legitimation of

neoliberalism, its role now lies in its subjugation to supranational government organizations, worsening rather than actively ameliorating the effects of capital. Further, the declining importance of the nation-state in the globalizing economic and political arenas requires that an alternative discourse begin to take precedence: perceived social mobility.

Leisering and Walker (1998) insist that individual mobility is crucial to modernity, as it drives individual ambition and both masks and maintains structural inequalities. Regardless of whether social mobility is a plausible goal for individuals in contemporary society, it is fundamental to the legitimization of the neoliberal agenda. Resulting from the macrocosm-microcosm metaphor for “progress,” individuals come to believe that their own hard work will yield individual “progress” and success.

Placing responsibility for success or failure on the shoulders of the individual in this way not only asserts the belief that social mobility is universally possible but also legitimates inequality and exclusion. The belief in social mobility justifies differentiation within and exclusion from the benefits of social “progress” by vesting the hegemonic system with corrective capabilities; the means by which one can improve his/her lot are clearly defined. As Lockwood (1996, p. 533) argues, “hierarchical status has become less institutionalized while power has become more institutionalized.” This neoliberal hegemony effectively incorporates differences in a hierarchical manner and presents them as a natural, depoliticized whole, institutionalizing the interests of one group over those of others (Butler, Laclau, & Zizek, 2000). Lines of inclusion and exclusion are drawn, determining who will enjoy the benefits of “progress.” In sum, this impersonal framework not only legitimates inequalities but also allows them to be viewed as resulting from an individual’s own lack of effort and, further, as a detriment to society’s progress as a whole. Ominous at the best of times, this trust in a discourse of individually-mediated social mobility is particularly dangerous in the current neoliberal context. While actual opportunities for social mobility appear to be closing, the belief in this possibility, in the probability of individual “progress” and attainment, remains strong, holding significant implications for social exclusion and socially-mediated solutions.

Conclusion

In the new economy, characterized by shifting social relations of production and intensifying inequality on a number of axes, social exclusion is an inherent component of the current global order. However, as the neoliberal ideology draws on powerful discourses of individuality to explain and legitimize poverty and inequality,

returning to the tradition of the possessive individualists, empowering explanations go largely unheard. Instead, existing social relations and power structures are defended, forcing people who are excluded and experience poverty to internalize both the consequences of and the responsibility for the exploitative processes of capital accumulation that benefit a privileged and powerful few. As we recognize inequalities in society, such as the digital divide, it is necessary to recognize that behind what is a complex and difficult problem to address in itself lie global mechanisms that both generate and justify such experiences of inequality. Without a nuanced understanding of these interlocking experiences, an attempt to address just one axis of inequality will fail to bring substantial change.

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